

# THE ROLE OF CREDIBILITY AND PARASOCIAL INTERACTION IN INFLUENCER MARKETING ON YOUTUBE

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International Business  
Bachelor's Thesis  
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**Degree:** Bachelor of Science in Economics and Business Administration

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### Objectives

The main objective of this study was to find out whether parasocial interaction experienced with a YouTuber that a person enjoys watching the most, and perceived credibility of that person influences buyer behavior. The objectives also included exploring the relationship between parasocial interaction and credibility. Other researchers have studied these two concepts separately, but not how they affect buyer behavior together.

### Summary

This research was conducted through a quantitative study, where people who had attended a YouTube event called VidCon, or were otherwise interested in YouTube, responded to an online survey. Based on previous research, it was predicted that parasocial interaction and credibility affect buyer behavior positively. However, this study found that these two factors do not affect buyer behavior to an extent that would be statistically significant. It was also discovered that there is a correlation between parasocial interaction and credibility, but based on this research it cannot be determined which affects which.

### Conclusions

In addition to parasocial interaction and credibility, there are a lot of other factors that contribute to viewers' buying decisions. For example, viewers might want to buy products in order to interact with their favorite YouTubers, support their partnerships, or simply because they like the products. It was also discovered that younger people experience more PSI, which is why companies need to be careful and use influencer marketing in an ethical way.

**Key words:** *influencer marketing, YouTube, parasocial interaction, social media*

**Language:** English

**Grade:**

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ABSTRACT

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## 1. INTRODUCTION

### 1.1. Background

The internet and especially social media have developed remarkably in the recent years. This has provided companies with multiple new ways in which they can advertise their products online. Even though influencer marketing is not a new concept, it has still been impacted by the developments in digital marketing. For example, nowadays influencers on different platforms work together with brands to advertise products to their audiences. This has also been done on YouTube (Xiao et al., 2018).

When people first made videos on YouTube after its launch, there was no money involved in the process. However, now that the platform is increasingly popular, it has simultaneously become more monetized, which has enabled some creators to become millionaires. The possibility of allowing YouTube to place advertisements on videos and the creators being able to advertise products themselves has made creating videos a career for many, while it has also increased the opportunities for brands to make their products or services visible for large audiences.

The effects of YouTube videos, however, do not reach merely the creators and the companies. It is clear that YouTube could not work without the millions of viewers. These people are really affected by their favorite YouTubers, with whom they share a very complex relationship. The opportunities that arise from these three stakeholders' actions are astounding, which is why the aspects that make influencer marketing on YouTube effective should be further explored. The focus of this thesis will especially be on the effects of credibility and parasocial interaction.

After the introduction of this thesis, the previous literature on the topic will be discussed in the form of a literature review. Then, the methodology of the research conducted will be introduced, including survey design and information on data collection. Lastly, the results of the study will be analyzed and discussed, alongside implications for companies and suggestions for further research.

## 1.2. Research Problem

For both consumers and companies, it is important to know what elements affect consumers and their behavior. Perceived credibility and parasocial interaction have both been recognized as factors that affect consumers' buying decisions, but their effects together have not been addressed. Thus, this thesis aims to discover how these concepts work together to impact consumers' buyer behavior.

## 1.3. Research Objectives

The focus of this thesis is on finding out whether PSI experienced with the YouTuber a person enjoys watching the most, and the perceived credibility of that person influences buyer behavior. This research question is addressed as "RQ". The relationship between credibility and PSI will also be explored. In addition, the impact of other elements, for example individual factors of credibility and behavior on YouTube, will be studied. However, these are not addressed in the research questions, but they are included in the hypotheses. The aim of the other research questions than "RQ" is to build background for the rest of the research, instead of being the actual main questions answered by this study.

## 1.4. Research Questions

RQ: Does PSI with a creator and positive perceptions of their credibility influence buyer behavior of the viewer?

RQ1: What do people think of their favorite creator in terms of credibility?

RQ2: How much PSI do people experience with their favorite creator?

RQ3: Do certain video categories generate more PSI than others?

RQ4: Do viewers spend money only on their favorite YouTubers, or do they buy products recommended by creators that they do not consider to be in their top 3?

RQ5: Do younger people experience more PSI?

## 2. LITERATURE REVIEW

### 2.1. Introduction

The purpose of this literature review is to explore the concepts related to influencer marketing and parasocial interaction on YouTube. Word-of-mouth and consumer-generated advertising are present when consumers are making buying decisions (Petrescu et al., 2018), which is why these two topics will also be discussed. In addition, this literature review will delve into the factors that affect credibility of the creators of YouTube content. Lastly, the conceptual framework will be introduced.

### 2.2. YouTube

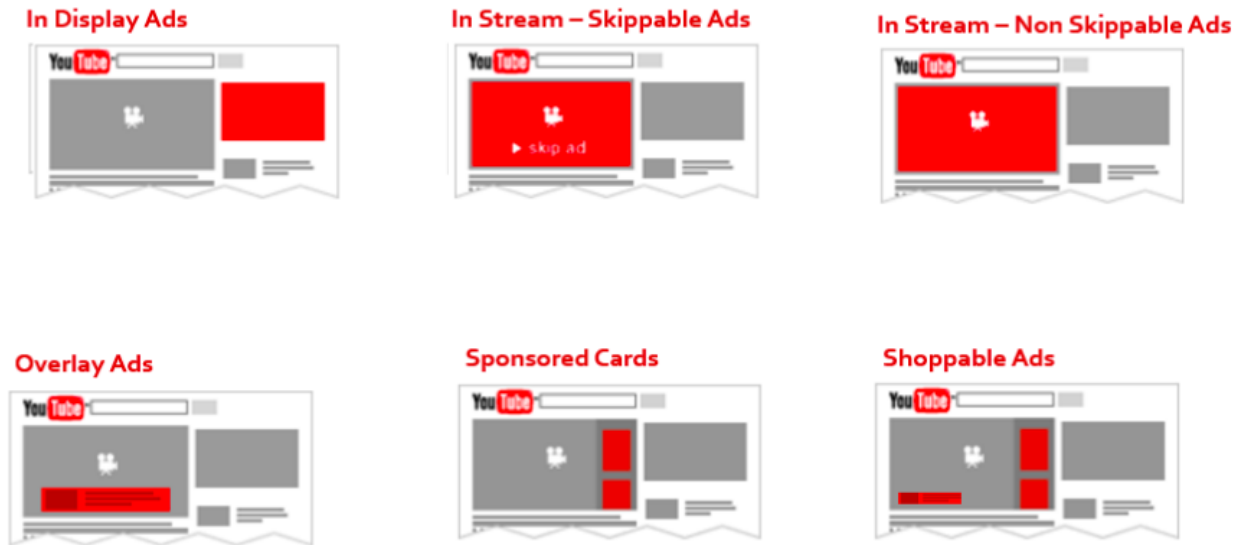
YouTube is a social media platform launched in 2005, which is focused on the sharing of videos (Burgess & Green, 2018). In addition to being able to upload content, people can subscribe to creators they enjoy watching, comment on their videos and interact with them.

There were almost 1.5 billion users in 2017, while the most popular channels have recently gathered even 2.9 billion views a month ([www.statista.com](http://www.statista.com)). Due to the popularity of the website and it being bought by Google, YouTube has been described as having “professionally generated videos in an ad-friendly environment” (Kim, 2012, p. 56). However, even though the content is generated more professionally than before, it still remains as a platform for ordinary consumers to share content.

There are two fundamental manners in which companies can advertise their products on YouTube. Firstly, the creator can enable monetization on their account, which allows YouTube to allocate advertisements on the channel ([creatoracademy.youtube.com](http://creatoracademy.youtube.com)). To be able to enable monetization, the YouTuber needs to have 1,000 subscribers, and have 4,000 hours of “watch time” in the past year (Palladino, 2018). If the channel fulfils these requirements, advertisements will be located on the screen around the video, or play before, in the middle, or at the end of a video. However, the advertisement is not part of the actual content of the video. The other option for a company is to approach the YouTuber



themselves, and for example, send them products they can talk about in a video or propose a partnership. Hence, the creators use their own influence to impact their viewers.



**Figure 1.** Advertisements allocated on YouTube depicted by Influencer Marketing Hub.

Traditionally, mainstream celebrities have had influence over teenagers. However, in a study conducted by Ault in *Variety* (2014), YouTubers scored higher than celebrities such as Jennifer Lawrence, Daniel Radcliffe and Katy Perry. YouTubers were also perceived as more engaging and authentic. Because of YouTubers’ “reputation as reliable endorsers”, companies have increasingly started looking for the right influencers to promote their products (Schwemmer & Ziewiecki, 2018).

### 2.3. Word-of-Mouth

The importance of customer-to-customer (C2C) interactions, such as word-of-mouth (WOM), has significantly increased in the recent decades. This development is due to three factors: customers being connected through the internet, the exposure of managers and academics to “comprehensive C2C information” and focusing on customer engagement (Libai et al., 2010, p. 267).

WOM marketing is particularly thriving on the internet, because of the multiple platforms that can be used by consumers to express their opinions (Trusov et al., 2009). The increasing popularity among these platforms, for example social media channels, has led to the introduction of a newer term, electronic word-of-mouth (eWOM). According to Cheung & Thadani (2010), WOM and eWOM differ in, for example, the speed of spreading the information, how accessible the information is, and the familiarity of the sender. WOM can only be transferred to a limited number of people at once, and accessing the information after the interaction is only possible via memory or possible recordings. On the other hand, eWOM is accessible after the initial interaction, and it can reach significantly more people at once than traditional WOM can. In addition, in WOM the receiver knows the sender, and thus will know the credibility of the sender (Cheung & Thadani, 2010). In eWOM, the receiver has to judge whether or not they can trust the sender.

#### 2.3.1. Credibility of WOM

In fact, different researches (Yoon et al., 1998, Smith et al., 2005, Dou et al., 2012), have addressed the importance of expertise and trustworthiness in judging credibility. Expertise in this context means “the perceived ability of a source to make valid assertions about the issue at hand” (Yoon et al., 1998, p. 156). On the other hand, trustworthiness “has been conceptualized as the perceived willingness of the source to make valid assertions” (p. 156). A vast amount of research in the field of WOM has acknowledged the different aspects of credibility, especially trustworthiness and expertise (Cheung & Thadani, 2010; Lim & Chung, 2014; Yoon et al., 1998). In research, the credibility of WOM has often been measured by conducting experiments (Lim & Chung, 2014; Yoon et al., 1998). The experiments usually include manipulation of one element, and one or more groups of participants are studied. On the other hand, credibility of WOM has also been measured by using Likert scales in surveys, where respondents have to rate certain items with endpoints of strongly disagree and strongly agree. For example, credibility of WOM can be assessed through evaluating the perceived trustworthiness and expertise, so the items could include “I think this person is knowledgeable” or “I trust this person”.

In a research about brand familiarity, Lim & Chung (2014) found that “consumers may rely on the expertise of the WOM sender to evaluate unfamiliar brands, but not familiar brands”

(p. 47). In addition, they specified that expertise, as mentioned by Yoon et al. (1998), is an important factor to consider when marketing the products of unfamiliar brands. However, the research cannot be generalized to the online environment. This research gap was covered by Xiao et al. (2018), who found that trustworthiness is the most important component when assessing the credibility of YouTube creators. It has been mentioned in other studies that these creators are perceived as more trustworthy than experts, but the creators also have less expertise than them (Lee et al., 2017).

Trustworthiness being the most important factor of credibility is a key part of making the WOM communications sent by these creators effective. The advertising deals that YouTubers are offered by companies can be related to the content on the YouTuber's channel. For example, makeup related channels often pursue partnerships with makeup companies, even if they do not have the qualifications of a professional. Thus, they do not have the expertise, but they base their credibility on trustworthiness. If the creator breaks their viewers' trust by promoting products that do not fill the appropriate expectations, their viewers might stop buying the products the YouTuber advertises, or even unsubscribe from their channel. This impacts the creator's ability to make ad revenue, which puts pressure on the creator to consider what kind of WOM they wish to spread.

However, Xiao et al. (2018) also suggest that expertise, likeability and homophily might be more evident as sources of credibility in studies conducted with a different focus. This would mean that trustworthiness alone is not enough from the YouTuber to create effective WOM. These factors of credibility are very similar to the factors of effectiveness of consumer-generated advertising introduced by Lawrence et al. (2013) in the next section of this paper. This could suggest that credibility in WOM communication may lead to effectiveness of consumer-generated advertising.

However, some studies propose that the credibility of the source is unimportant, and that simply securing a peer recommendation is enough to influence consumers (Smith et al., 2005). The same study mentions that the credibility of the recommender affects the amount of research done individually by the consumer.

## 2.4. Consumer-Generated Advertising

Ertimur & Gilly (2012) describe consumer-generated advertising (CGA) as a concept close to WOM, because of the “consumer-to-consumer communications, yet they have the look and feel of traditional advertising” (p. 115). In practice, this means advertisements created by consumers, for other consumers. There are two kinds of CGA; solicited and unsolicited. Solicited CGA is initiated by the companies, while unsolicited CGA is done completely by the consumer (Ertimur & Gilly, 2012). On social media, both kinds of CGA are evident.

According to Lawrence et al. (2013), there are four factors contributing to CGA effectiveness, which will be discussed in the next sections of this literature review. First, judgement of quality and credibility will be looked into. Then, the remaining two factors, identification with the ad creator and viewer engagement, will be explored. Effectiveness of CGA is often evaluated by measuring these four factors in an experimental manner. CGA is studied in a similar way as WOM, as the experiments often include a manipulated element and multiple groups of participants.

### 2.4.1. Quality and credibility of CGA

According to multiple studies (Lawrence et al., 2013, Hansen et al. 2014, Lee et al., 2016), CGA is perceived more positively than traditional advertisements. For example, CGA is considered as better quality than company-created advertisements, and authenticity and creativity are seen as important factors (Lawrence et al., 2013). CGA is perceived to be more credible (Lee et al., 2016), and also more authentic compared to advertisements created by companies (Ertimur & Gilly, 2012). The actual quality of the CGA does not matter, which is beneficial for content creators, since they might not have all the resources needed to make content so high in quality that it could compete with company-generated advertising.

### 2.4.2. Identification with the creator

The feeling of the CGA creator being similar to the consumer enhances their influence (Ertimur & Gilly, 2012). This could be due to the distance between the creator of the

advertisement and the consumer. Companies may seem like they are not on the same level as the consumer, and their opinions might seem biased. In addition, companies often use celebrity endorsements in their advertising (Rahman, 2018), but YouTubers are actually perceived as more relatable and reliable than traditional celebrities (Ault, 2014). Thus, when the advertisement is created by an individual that is deemed as closer to an ordinary consumer, it might make the message feel more genuine and trustworthy.

Despite the creator and viewer being more on the same level on YouTube, there still is a considerable gap between them. This is due to the YouTuber being able to hide certain perspectives of their life and personality (Chen, 2014). This allows them to show the parts of their life that are more relatable to the viewer, and thus the feeling of identification can be strengthened.

#### 2.4.3. Viewer engagement

According to Lawrence et al. (2013), the last of the four factors contributing to CGA effectiveness, which is engagement, is present especially on YouTube. The same study showed that CGA engages consumers more than advertisements made by companies. It was also pointed out that especially the engagement with the creator, for example “relationship building” between the creator and the viewer are significant. Consumers want to interact with the media personality (Gong & Li, 2017), which is often made possible by the creators being present on multiple social media platforms, in addition to YouTube.

However, interacting with fans might not be the only reason why creators are active on different sites; it can also attract consumers who are not familiar with their YouTube content. For example, YouTubers such as Zoella and Connor Franta frequently interact with their viewers on Twitter and Instagram by sending them messages or answering their questions. Not only may this enhance the engagement between the viewer and the creator, it also might benefit the creator by allowing them to gain a greater following, since people might visit their channel after first noticing them on another platform.

#### 2.4.4. Motives of the creator

Hansen et al. (2014) suggest that in electronic word-of-mouth, which is what CGA consists of, credibility might be decreased due to not knowing details about the creator of the advertisement. The consumer often does not know the motives of the creator either. Some consumers assume that the motivation for other consumers is intrinsic, while companies advertise in order to make profit (Ertimur & Gilly, 2012). For example, it was pointed out that some consumers think that the creation of the advert is a consequence of brand loyalty from the creator's side. This view could be strengthened by the fact that YouTubers often have long-term partnerships with certain companies, and therefore the same brands might appear on the channel multiple times. This could seem like an indication of brand loyalty, even if the objective was merely to advertise the products.

However, research shows that consumers care more about the advert coming from another consumer, and not about the reason why it was advertised (Lawrence et al., 2013). Thus, even if the consumer knew that the creator was advertising something to make profit, it would still be better than the company advertising the product themselves. YouTubers often inform their viewers that they are advertising a product in many ways. They can, for example, mention the partnership in the content of the video, write in the description box that the video contains paid for advertorial, or insert a text on the screen saying that part of the video contains an advert. Hence, the viewer usually knows when there is an advertisement in the video that is made in collaboration with the company. Therefore, it is critical that the commercial coming from another consumer is more important than the motives of the creator. However, none of the major studies in this field have indicated that awareness of a CGA creator advertising a product or a brand for a financial gain has an effect on the public's opinions. Thus, it is not certain whether or not the consumer's knowledge of the motive makes the message less effective.

#### 2.4.5. CGA and brands

Hansen et al. (2014) found that CGA can make the consumer have a positive attitude about an advert, but this positive attitude will not change their attitude about the brand. Furthermore, it is unlikely for the consumer to be influenced by being exposed to the

message just once. It was also suggested that alongside exposure to the advert, other factors, such as brand familiarity, affects the attitude towards the brand. This is aligned with previous research, which found differences in the effectiveness of word-of-mouth depending on the familiarity of the brand (Lim & Chung, 2014). It could be concluded that even though it has been said that CGA does not enhance the consumer's attitude about a brand, this is highly dependent on other factors, such as exposure and familiarity with the brand. Thus, it does not mean that it is impossible to enhance brand attitudes with CGA.

## 2.5. Influencer Marketing

Influencer marketing is essentially eWOM that contains an advertising message, communicated from a person with higher status to a person they wish to influence. Influencer marketing could also be considered as CGA, since on YouTube, for example, the advertisements are embedded in the videos that are created by other consumers. It has also been defined as offering incentives to people with the “credibility, following and motivation to drive positive word-of-mouth” (Petrescu et al., 2018, p. 288). In addition, influencer marketing has been characterized as a type of product placement (Audrezet et al. 2018). This is present on YouTube in the form of hauls and lookbooks, for instance (Schwemmer & Ziewiecki, 2018). It could be said that influencer marketing is a significant phenomenon on YouTube, since according to a survey conducted at the end of 2018, around 54% of respondents said watching YouTube was “important for helping them make purchasing decisions” (Smith et al, 2018). In addition, it was stated that 19% of adult respondents who use YouTube in the U.S. think that YouTube “is very important when it comes to deciding whether to buy a particular product or not.”





**Figure 2.** Picture of a haul video made by Sarah Rae Vargas in 2018. In a haul video, the creator has bought several items of clothing or other products, and presents them to the viewers. The products can be either from multiple different stores, or just one.



**Figure 3.** Picture of a lookbook created by Zoella (Zoe Sugg) in 2016. Lookbook videos are less practical than hauls. The videos often have background music playing with no voiceovers, and the focus is in showing how the products look on, while the brands and prices might only be mentioned in the description box.



Sometimes the brands do not need to contact the creators themselves. Even though some product reviews might be encouraged by companies by, for example, sending the YouTuber products so that they could talk about them in a video, some might also be completely initiated by the creator (Petrescu et al, 2018). For instance, YouTubers might just talk about certain products without having a deal with a company. Thus, when YouTube creators advertise products, it might not always seem like an advertisement. This could be one of the reasons why influencer marketing on YouTube is so effective. In addition, creators frequently advertise products, even when a company has not reached out to them in order to collaborate. Thus, it is difficult for consumers to differentiate between genuine recommendations and advertisements (Schwemmer & Ziewiecki, 2018).

There are many ways in which products can be mentioned discreetly, for example, in vlogs where people show what they do on a typical day. A vlog, which is short for video blog, is a social media post in the form of a video. By vlogging, people usually mean making several videos on YouTube about different topics. As a result of the creator being able to show their life to the viewers, the line between recommendations and adverts is thin. When a product is commented on in a video, it does not necessarily mean that the creator has an external motive to promote it, since it could be merely a recommendation instead of an advert. Conversely, some adverts might seem like recommendations, which is beneficial for brands, since peer recommendations are perceived more positively than sponsored advertisements (Smith et al., 2005). Product reviewers are also trusted more, when they are ordinary people, instead of the producer of the product (Dou et al., 2012). This is why the concept of advertising on YouTube is not completely straight-forward. In this literature review, influencer marketing on YouTube refers to the advertising of products initiated either by the creator themselves, or the company.

On YouTube, influencers are the people who create videos that their subscribers frequently watch (Xiao et al. 2018). Thus, company-created videos are not considered as influencer marketing. However, working with influencers can have its challenges. For example, both the brand and the influencer seek for authenticity and trustworthiness from the other party (Petrescu et al., 2018). In addition, it can be challenging for brands to find and recruit suitable influencers. This is why companies should have some way to find the best influencers to market their products. The criteria for choosing the creator could include congruence with the product and credibility.

### 2.5.1. Congruence

An important part of the effectiveness of celebrity endorsements, congruence, could also be significant in influencer marketing. Congruence means that “the highly relevant characteristics of the spokesperson are consistent with the highly relevant attributes of the brand” (Misra & Beatty, 1990, p. 161). It has been found that congruence influences the consumers’ “attitude toward the ads, attitude toward the brand and purchase intention” (Um, 2017, p. 755). This suggests that congruence between the creator and the product or the brand can also have a significant effect. In fact, plenty of YouTubers try their best to only advertise products that are congruent with their personal brand. For example, beauty vloggers predominantly partner with beauty or lifestyle brands, whereas this might not be a suitable course of action for creators who specialize in gaming. Advertising products that are not related to the creator might raise consumers’ doubts about the motivations behind the advert. In addition, since consumers might watch a certain YouTuber because they feel like they are similar to them, it is more beneficial to advertise products that are congruent with the creator. This might enhance the possibility of the viewer also buying the product.

### 2.5.2. Credibility in Influencer Marketing

In a study about influencer marketing, it was found that in addition to expertise, trustworthiness and homophily affecting credibility, there are also other important factors, such as “social advocacy, interactivity ... argument quality and involvement” (Xiao et al. 2018). Even though the study suggests that likability could affect credibility more if the study had a different focus, it eventually concludes that there is no link between likability and perceived credibility, at least on YouTube. However, it was also mentioned that the most important source of credibility might differ depending on the type of the YouTube video.

It could be concluded that the qualities leading to credibility are very similar in WOM, CGA and influencer marketing. The main factors of credibility that repeatedly appear in different studies are trustworthiness and expertise, but especially in the online environment also homophily and engagement are present. Thus, in assessing the credibility of a creator in general, these four are important to take into account. This should be considered by companies while choosing which influencers to work with, since the more credible the

influencer is, the more likely it is for the “positive brand message” to be accepted by the consumers (Munnukka et al., 2019, p. 232).

## 2.6. Parasocial Interaction

Parasocial interaction (PSI) refers to the most often one-sided interaction between a member of an audience and a celebrity, comedian, character, presenter, media personality et cetera, where the viewer feels a connection to the person that is not far from having a real relationship with them (Giles, 2002; Ballantine & Martin, 2005; Kim et al., 2018). Because people evaluate celebrities using the same criteria that they use to evaluate people in real life, the relationships that emerge from PSI may feel like real life friendships (Giles, 2002). In research, PSI is often measured with scales that explore, for example, how much the person thinks about the media personality, tries to interact with them or follows their life (Bocarnea & Brown, 2007). The scales usually include around 20 items that are measured on a five point Likert scale, with endpoints of strongly disagree and strongly agree.

People feel closer friendships with people in the digital world than traditional celebrities, because they seem more similar to them (Hwang & Zhang, 2018). However, in order to experience strong PSI, the person needs to be exposed to the media personality multiple times (Ballantine & Martin, 2005). This effect is indirect, since being exposed to the person affects PSI through “increased attributional confidence” (Perse & Rubin, 1989, p. 74).

Being able to relate to the media personality and feeling similar to them, and thus forming friendships, in other words homophily, is prevalent in parasocial relationships (Ballantine & Martin, 2005; Lee & Watkins, 2016). It has been found that homophily and social attractiveness have a stronger influence on PSI than physical attractiveness (Lee & Watkins, 2016). The importance of homophily in PSI may be significant because of homophily being connected to the credibility of CGA (Lawrence et al., 2013), since considering the celebrity credible might increase the level of PSI experienced. Seeking homophily can also lead to people buying products to be like the media personality. For example, in the study by Lee & Watkins (2016), it was found that seeking homophily and having a high level of PSI made people more likely to buy luxury products.

Another study has revealed that YouTubers making their viewers feel better about themselves when they purchase products that the creator enjoys and viewers buying products because they think the creator will “provide something or do something for the viewers in return” positively influences PSI (Kim et al., 2018, p. 5). The thing provided in return could be, for example, the creator noticing the viewer in the comment section, or messaging them. This interaction can make the viewer feel even more connected to the media persona. The first finding, on the other hand, could be related to homophily, since it is a noticeable component contributing to PSI. When a viewer purchases a product that a YouTuber uses, they might feel closer to the creator, which then makes them feel more content with themselves.

Rubin et al. (1985) explain PSI as “interpersonal involvement of the media user with what he or she consumes” (p. 156). This interpersonal involvement has many forms, for example considering the persona as your friend, imagining being a part of their world, wanting to meet the person in real life and wanting advice. These characteristics of involvement are often provided by YouTubers to their viewers. For instance, the creators let the viewer into their life by capturing what they do every day. In a study about the way in which YouTubers create parasocial interaction with their viewers, it was found that vlogging is the video genre capable of generating the most PSI with the viewers (Ferchaud et al., 2018). In addition, creators like Tyler Oakley and Ricky Dillon make videos where they give their fans advice, and attend events where the viewers can meet them. By doing this, the creators from their end can enhance the parasocial interaction experienced by the viewer, which can sometimes turn into real life interaction with the creator. However, contrary to a popular belief, the willingness of young people to engage with the creator does not stem from loneliness, since it does not positively influence PSI (Hwang & Zhang, 2018).

Interactivity and openness can also enhance PSI (Labrecque, 2014). In addition, audience participation has been found to enhance both PSI and the creator’s credibility (Munnukka et al., 2019). For example, YouTubers replying to viewers’ comments quickly and addressing them by name was mentioned as factors contributing to the perceived interactivity, but could also be considered as fostering audience participation. Openness, on the other hand, refers to the creator “sharing seemingly personal details, and establishing feelings of a one-to-one relationship” (Labrecque, 2014, p. 143). All YouTubers might not be able to provide both interactivity and openness, but it is a great advantage to those who can. Creators with a

small following might answer to comments quicker than ones with a big following, since they do not have as much people visiting their channel. Furthermore, small creators might feel more willing to share personal information, because there are not as many listeners. Thus, YouTubers with a smaller following should not be completely overlooked when looking for influencers to advertise products, since they might have plenty of loyal fans willing to listen to them. However, even if the creator with the bigger following is unable to interact with all of their viewers, as long as the “feeling of reciprocity and involvement” exists, the effectiveness of the advertisement will be enhanced (Munnukka et al., 2019, p. 232).

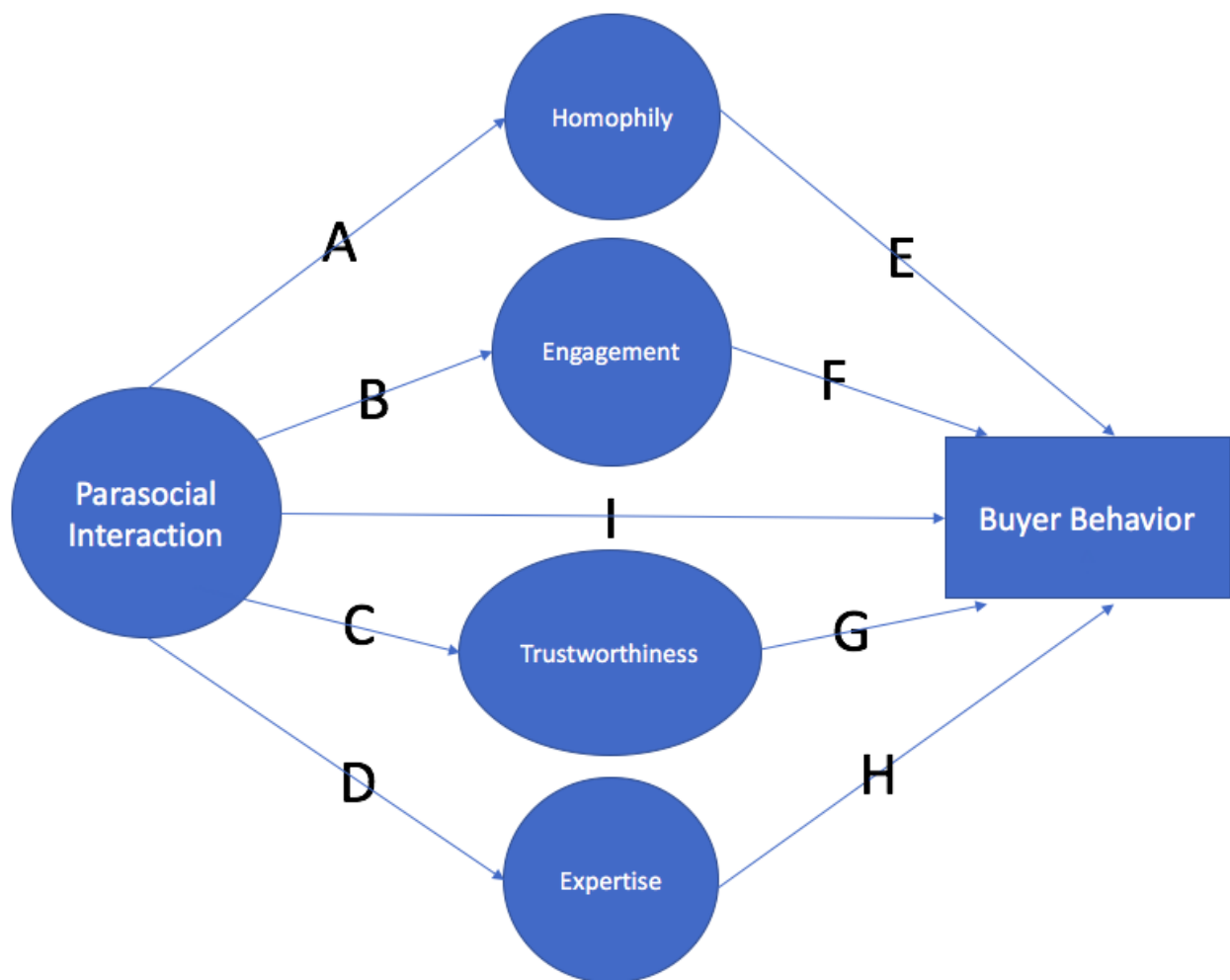
In addition to the abstract side of PSI being studied, also the physical ways in which PSI could be enhanced have been explored. For example, Ferchaud et al. (2018) found that the setting of the videos and camera angle do not affect perceived authenticity and realism, which could then have enhanced parasocial relationships. However, it was also discovered that the creator showing their face on camera correlates with PSI. Thus, alongside altering the content of the video to create PSI, the YouTuber can change the way the video is filmed to encourage the forming of parasocial relationships. This is useful knowledge to the companies engaging in influencer marketing, since they could, for example, collaborate with the content creators who have the best chance of having loyal fans.

There is also an economic perspective to PSI, especially in the digital world. PSI has a positive impact on “followers’ purchasing and eWOM intentions” (Hwang & Zhang 2018, p. 164). In addition, a study has found that CGA enhances the attitudes about an advert, but it will not transfer to the brand (Hansen et al., 2014). However, Lee & Watkins (2016) found that PSI with a vlogger enhanced the consumers’ perception of the brand. Similarly, Labrecque (2014) found that PSI increases “feelings of loyalty intentions and willingness to provide information to the brand” (p. 134). Thus, advertisements created by YouTube stars can enhance viewers’ attitudes towards a specific product in the advert, and when parasocial interaction exists between the consumer and the YouTuber, the consumer will also view the brand more positively. However, there are differences between brands. Similar to consumers relying on the expertise of a person when judging unfamiliar brands instead of familiar ones (Lim & Chung, 2014), perceptions of luxury products will also change more significantly after viewing a vlog discussing a certain product, when the brand is more unfamiliar (Lee & Watkins, 2016).

Based on the studies about credibility in an online environment, four main categories were identified; expertise, trustworthiness, homophily and engagement. However, when parasocial interaction is taken into account, it could be said that the two most relevant sources of credibility should be homophily and engagement.

## 2.7. Conceptual Framework

The conceptual framework below (Figure 4) examines the relationships between characteristics of credibility depicted as circles in the middle of the framework, PSI and buyer behavior. This conceptual framework aims to illustrate how PSI and credibility can affect buyer behavior together, and how PSI can also work as an individual factor.



**Figure 4.** Conceptual framework of credibility, PSI and buyer behavior.

Based on previous studies in the field of influencer marketing and PSI, the hypotheses are the following:

H1: The more a person watches a certain YouTuber, the stronger they experience PSI with them.

H2: When perceived credibility of a YouTuber increases, the stronger the PSI between the viewer and the creator grows.

H3: If the perceived credibility and PSI levels are high, the purchase intentions of the viewer strengthen.

H4: The more parasocial interaction between the viewer and the YouTuber, the more money is spent by the viewer.

H5: The more credible a YouTuber is perceived as, the more money is spent by the viewer.

H6: Paths A and B are stronger than paths C and D.

### 3. DATA AND METHODOLOGY

This research is based on mostly quantitative data that was collected through a survey. The full survey will be shown in the Appendix 1. This approach was chosen to ensure the timeliness of data collection and to receive answers to specific questions in the same format. However, the survey included an optional qualitative section, so that those who wished to provide additional comments could do so. In addition, a YouTube creator called Marcus Butler ([www.youtube.com/user/MarcusButlerTV](http://www.youtube.com/user/MarcusButlerTV)) with 4.2 million subscribers was briefly interviewed in order to receive more information about advertising on YouTube from the creator's perspective. This data will not be analyzed in the "Data Analysis and Findings" section, but it will be included in the discussion. The full transcription is in Appendix 2.

#### 3.1. Study Design

The questionnaire was made using an online survey tool called Webropol. There were 26 mandatory questions, and one optional question, where respondents could express their opinions on advertising on YouTube in general, if they wished to do so. The questions of the survey aimed to measure the behavior of the respondent on YouTube, the level of PSI they experience and how credible they perceive their favorite creator to be.

To be able to assess the perceived credibility of the person's favorite creator, 4 subscales of credibility were chosen from the credibility scale introduced by Xiao et al. (2018), which consisted of 11 subscales in total. The subscales of choice were trustworthiness, engagement, homophily and expertise. The first two subscales were not modified, except for reverse coded items. To avoid repetition, the item "The YouTuber is unlike me" was removed from the homophily subscale and "The YouTuber is an expert" was removed from the expertise subscale to avoid letting the respondent know the exact factor that is being studied. These subscales were chosen because of their connection to PSI.

The PSI scale used is called "Celebrity-Persona Parasocial Interaction Scale", which was created by Bocarnea & Brown (2007). The scale includes 20 items that were all measured on a scale from 1 to 5, with endpoints of strongly disagree and strongly agree. Some of the 20 items were modified to fit the YouTube context of this study. For example, statements



such as “I like to watch the persona on television” and “I look forward to seeing them on television or in the print media” were altered to “I like to watch their videos” and “I look forward to watching their new videos.” In addition, “I have been seeking out information in the media to learn more” and “I sometimes go to the Internet to obtain more information about them” were merged into one statement; “I have tried to find more information about them.” Some statements were deleted for the sake of relevancy to the research and to avoid repetition. Such items included “I do not have any feelings about the persona”, “I sometimes feel like calling or writing them”, “They understand the kinds of things I want to know” and “I sometimes make remarks to them while watching television.” However, one statement of “I follow them on different social media sites” was added. After all of the modifications, the scale in the survey includes 16 items, 12 of which were exactly the same as in the original scale. The full questionnaire can be found in Appendix 1.

### 3.2. Data Collection

There were two ways in which data was collected. Firstly, people who had attended a YouTube event called VidCon were contacted on various social media sites, for example Twitter and Instagram. People were also approached face-to-face at the event. VidCon is a YouTube conference that was organized in the conference center ExCel in London. The event lasted for four days. The first day of the event, the 14<sup>th</sup> of February, was meant for creators and industry members. Viewers were able to attend the event on the next three days. The event consisted of panels where the creators talked about different topics, meet-and-greets with the YouTubers and activities hosted by different advertisers. There were also evening shows, where creators entertained the audience in various ways.

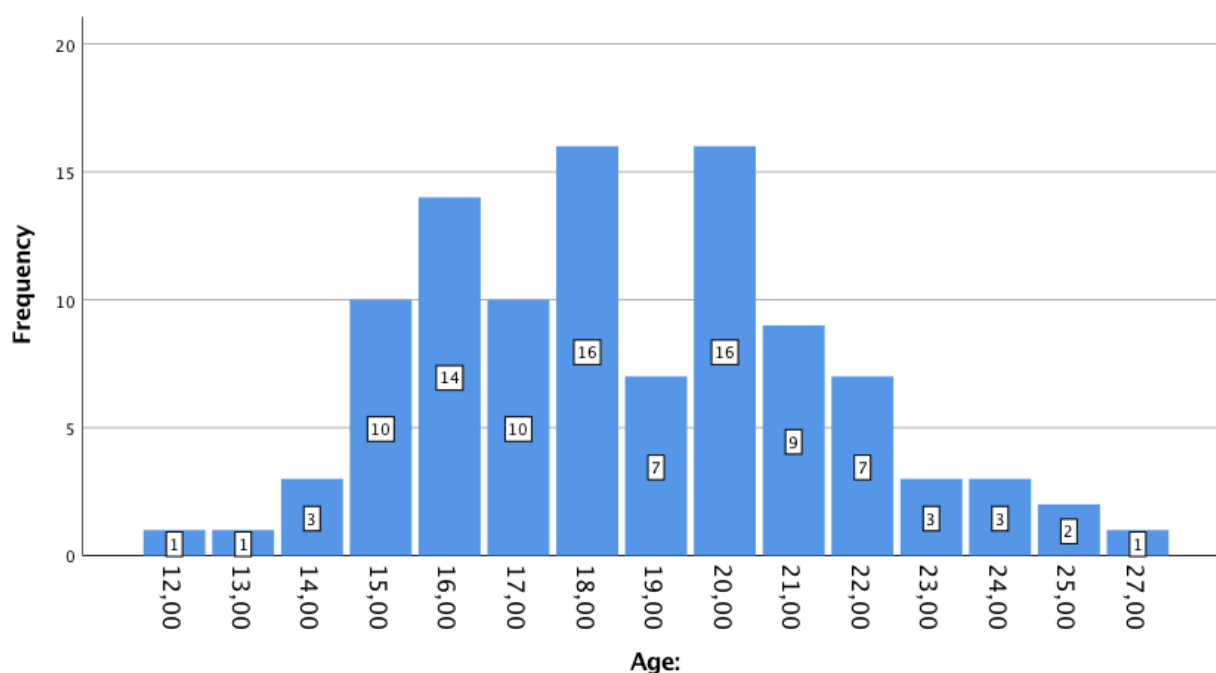
Secondly, people who had not necessarily attended the event, but had shown interest in YouTube and YouTube personalities on social media were contacted via private messages on Twitter or Instagram. These people were found by searching different key terms, such as “VidCon”, “VidCon London” and names of creators that had attended the event. The posts including these key words were then examined, to figure out if that person had attended the event, or had interest in attending. A person was deemed as a relevant subject for this study if they had shown interest in YouTube events or YouTubers themselves frequently.

There were no demographic requirements for the respondents, but all of the respondents happened to be between the ages of 12 and 27. Respondents were asked to provide their gender, but in the end, it was not used in the analyzing of data. There were 104 respondents in total, while around 200 people were contacted.

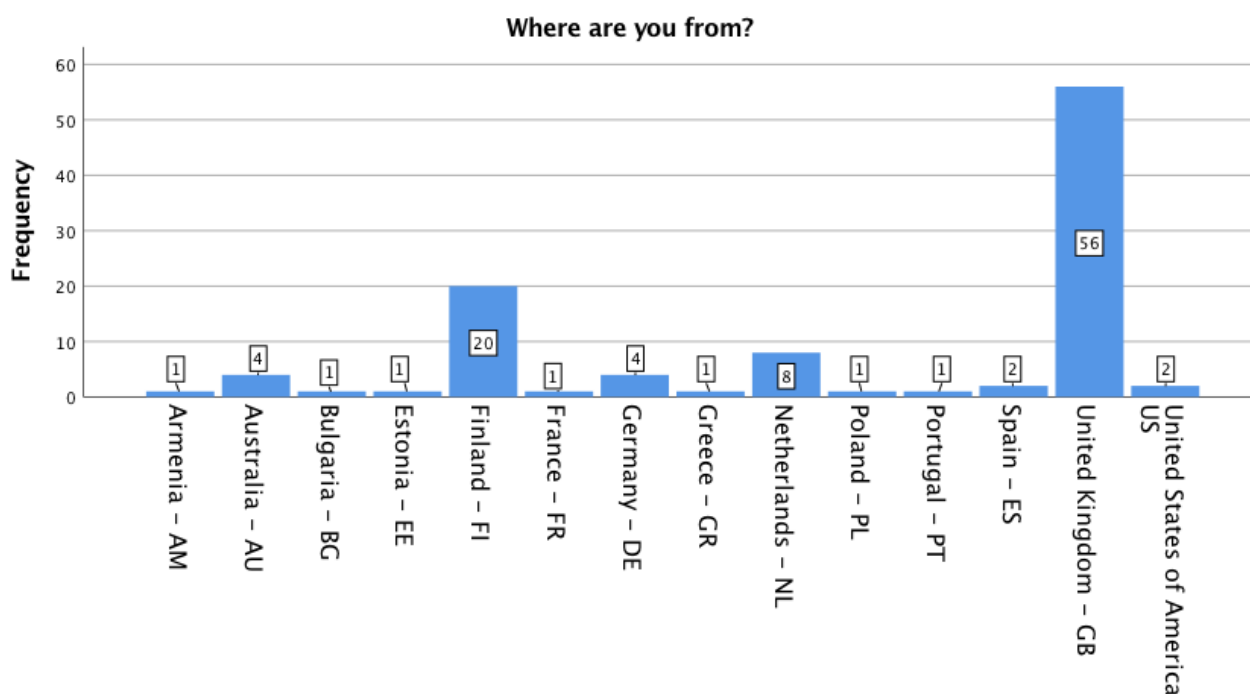
People who frequently watch YouTube and show interest in it on social media were chosen as the target population of this survey, because the aim was to find people who have a sufficient amount of knowledge about advertising on YouTube, and have most likely encountered it several times. In addition, this enabled the examination of PSI and perceptions of credibility. If the respondents did not follow YouTube creators actively, they might not have experienced PSI with the creator or have any perceptions about their credibility, which could have caused problems for the data collection. It was also important for the respondents to be able to name three creators that they watch to be able to measure the concepts mentioned before. The difficulty of analyzing the results would have increased significantly, if the respondent was not able to do that.

## 4. DATA ANALYSIS AND FINDINGS

### 4.1. Demographics



**Figure 5.** The ages of respondents. The ages of the respondents ranged from 12 to 27, with the average age being a little over 18 ( $M=18.57$ ,  $SD=2.90$ ).



**Figure 6.** The nationality of the respondents. The majority of respondents were from the United Kingdom, which was expected, since the event that most of the respondents had attended took place in London.

## 4.2. Behavior on YouTube

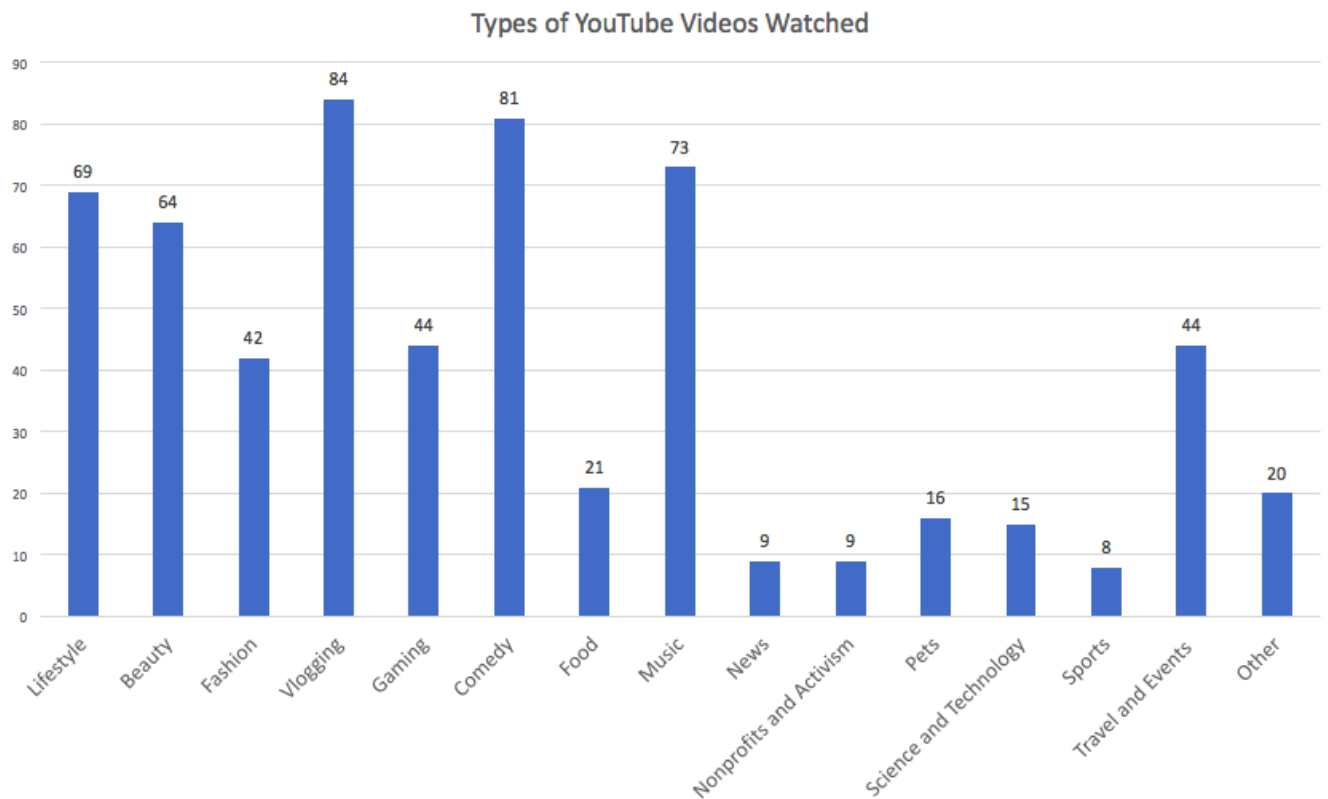
This section will go over the behavior of respondents on YouTube. This includes the YouTubers respondents ranked as their favorites, types of videos watched and hours of videos watched. These factors are elaborated on in order to get a good understanding of the respondents' background before looking into their relationships with the creators.

### 4.2.1. Favorite creators and types of videos watched

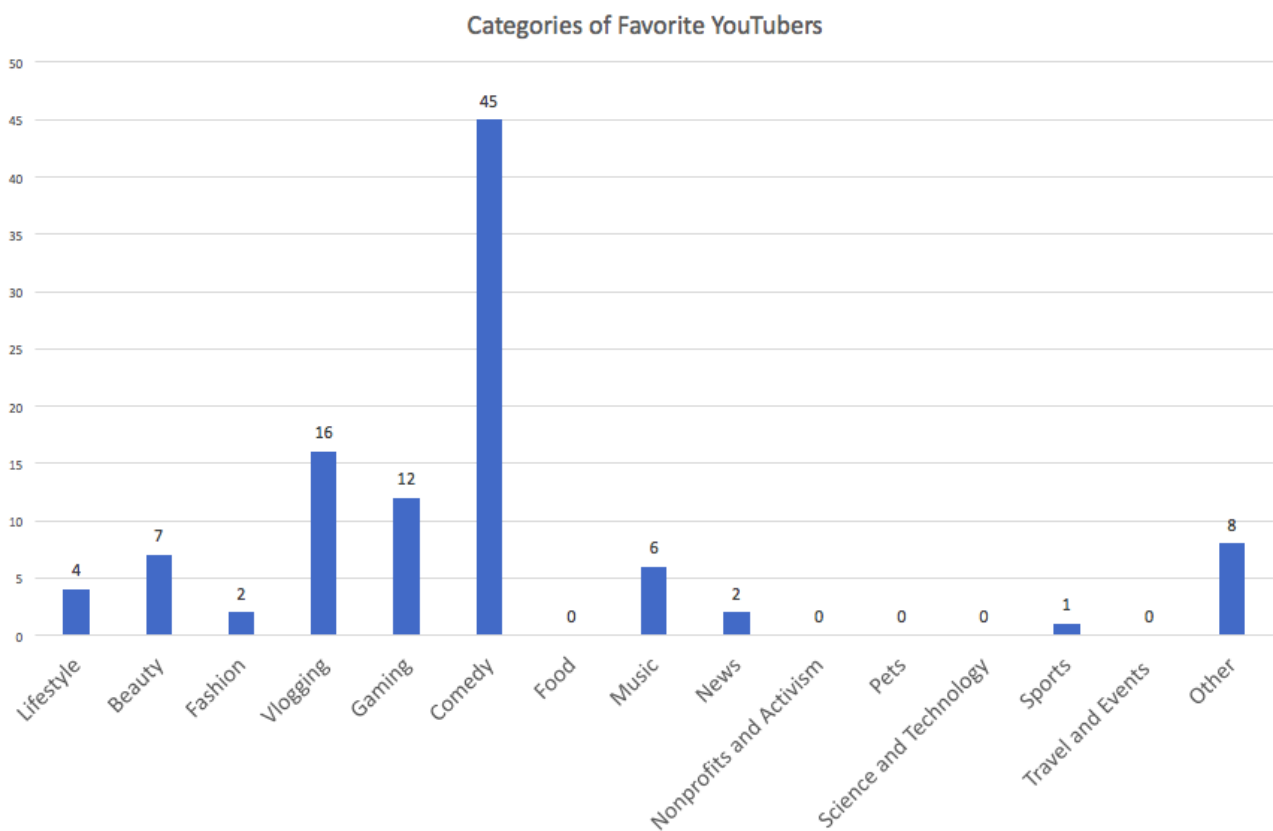
Every respondent had to list three YouTube creators that they enjoy watching the most. In total, 172 different YouTubers were listed. The most popular YouTuber that was mentioned was PewDiePie, who is also the most subscribed person on YouTube with over 91 million subscribers (April 1, 2019). He was mentioned 10 times in the rankings. The full list of creators mentioned can be found in Appendix 3.

The respondents were asked to check all of the different types of videos that they watch from a list provided. The most popular category was vlogging ( $n=84$ ), with results presented in Figure 7. This is interesting, since it has been found that vlogging is one of the categories that enables PSI the most (Ferchaud et al., 2018). Thus, it could be expected that the level of PSI experienced by the respondents would be high. However, when asked to provide the main category in which the respondent's favorite YouTuber belongs to, vlogging was chosen only 16 times. The most popular category of the respondent's favorite YouTuber was comedy, which was chosen by 45 respondents.

Other popular categories of videos that respondents watch in general included comedy ( $n=81$ ), music ( $n=73$ ) and lifestyle ( $n=69$ ). However, when talking about the category a respondent's favorite YouTuber belongs in, music and lifestyle were chosen only 10 times in total. After comedy and vlogging, the third most popular category of the respondents' favorite creators was gaming ( $n=12$ ). The list of all the categories and corresponding frequencies are presented in Figures 7 and 8. There was also an option for people to suggest categories that they watch but were not listed, which are not displayed in the figures. These included, for example, animation ( $n=3$ ) and commentary ( $n=7$ ).



**Figure 7.** Types of YouTube videos watched.



**Figure 8.** The categories in which the respondent's favorite YouTuber belongs to.

#### 4.2.2. Number of Subscriptions and Hours Spent on YouTube

On average, respondents were subscribed to 106 channels in total ( $SD=98.49$ ). Out of the respondents, 65% of respondents were subscribed to 100 channels or less, but over 6% of respondents reported to be subscribed to even 300 channels or more ( $Mdn=85$ ). However, when asked to evaluate how many channels they watch weekly, all respondents stated a number smaller than 50 ( $M=12.45$ ,  $SD=10.40$ ). This shows that even though people can be subscribed to multiple channels, it does not mean that they watch them actively. For example, even though the highest number of subscriptions was 500, the highest number of channels watched weekly was only 50.

This point is even further illustrated when looking into how many channels respondents watch daily. Nearly half of the respondents ( $n=49$ ) watch three channels or less daily. In addition, 11.7% of respondents ( $n=12$ ) reported that they do not watch any YouTubers on a daily basis. In fact, the average number of channels watched daily was 4.93 with a standard deviation of 5.6, which was significantly lower from the number of channels watched weekly ( $M=12.45$ ,  $SD=10.40$ ). This was expected, since it is possible to subscribe to as many creators as you want, but people are usually focusing on just a few creators that they enjoy the most. It could be concluded that even though people can be subscribed to hundreds of channels, it does not necessarily mean that they are active followers of many of them on the day-to-day basis.

In addition, over 50% ( $n=54$ ) of respondents reported that they watch their favorite YouTuber for less than 3 hours a week. The average respondent watches their favorite creator for 9.23 hours a week ( $SD=15.95$ ). These results are affected by the outlier of 100 hours, which seems unrealistic and might be an error from the respondent's side. However, 8.9% of respondents ( $n=9$ ) reported to watch their favorite YouTuber for over 24 hours a week, which is over 3 hours a day. However, it should be noted that this question was only about their favorite creator, which means that the overall amount that they watch YouTube can be much greater. Only under 5% ( $n=5$ ) of respondents watch their favorite creator for less than an hour a week, which guarantees that in general the respondents have useful knowledge of the creator and can respond to the questions about credibility and PSI as realistically as possible. This makes the data of this thesis more reliable.

### 4.3. Reliability of Scales

The questionnaire featured five scales; PSI, trustworthiness, engagement, homophily and expertise. Items were measured on a scale from 1 to 5, with 1 meaning “strongly disagree” and 5 meaning “strongly agree”. The only scales that were not modified were trustworthiness and engagement, however, the trustworthiness subscale included an item “Not reliable” that needed to be recoded to “Reliable.” The three remaining scales were all modified. In addition, the PSI scale included two recoded items; “I feel like I have little understanding of them as a person” and “I am not really interested in them.” The reliability of these scales was tested to find out if the scale is reliable, despite the modifications. The reliability analyses revealed that all of the scales were indeed reliable, and could be used in the rest of the data analysis. The scales and the corresponding Cronbach’s Alphas are displayed in Table 1.

Scale	Items	Cronbach’s Alpha
PSI	<ul style="list-style-type: none"><li>▪ They make me feel as if I am with someone I know well.</li><li>▪ If they appeared on a TV program, I would watch it.</li><li>▪ I see them as a natural down-to-earth person.</li><li>▪ If I saw a magazine story about them, I would read it.</li><li>▪ I would like to meet them.</li><li>▪ I feel like I understand the emotions they experience.</li><li>▪ I find myself thinking about them on a regular basis.</li><li>▪ I follow them on different social media sites.</li><li>▪ I like to watch their videos.</li><li>▪ Whenever I do not get news about them, I miss it.</li></ul>	,880

	<ul style="list-style-type: none"> <li>▪ Learning about them is important to me.</li> <li>▪ I have tried to find more information about them online.</li> <li>▪ I am very aware of the details of their life.</li> <li>▪ I feel like I have little understanding of them as a person. (Reverse coded)</li> <li>▪ I look forward to watching their new videos.</li> <li>▪ I am not really interested in them. (Reverse coded)</li> </ul>	
Trustworthiness	<p>I feel like [q7o1answer] is..</p> <ul style="list-style-type: none"> <li>▪ Dependable</li> <li>▪ Honest</li> <li>▪ Not reliable (Reverse coded)</li> <li>▪ Sincere</li> <li>▪ Trustworthy</li> </ul>	,796
Homophily	<p>[q7o1answer]...</p> <ul style="list-style-type: none"> <li>▪ Thinks like me</li> <li>▪ Behaves like me</li> <li>▪ Is similar to me</li> </ul>	,839
Engagement	<p>[q7o1answer] is...</p> <ul style="list-style-type: none"> <li>▪ Easy to contact</li> <li>▪ Willing to interact like me</li> <li>▪ Influenced by me</li> <li>▪ Interacting with me frequently</li> </ul>	,822
Expertise	<p>[q7o1answer] is...</p> <ul style="list-style-type: none"> <li>▪ Experienced</li> <li>▪ Knowledgeable</li> <li>▪ Skilled</li> <li>▪ Qualified</li> </ul>	,763

**Table 1.** Reliability analyses. On the basis of the reliability analyses, the items for each scale were averaged to form a subscale score from 1 to 5 with higher numbers meaning more of the construct – more expertise, more trustworthiness and so on.



#### 4.4. Addressing the Research Questions

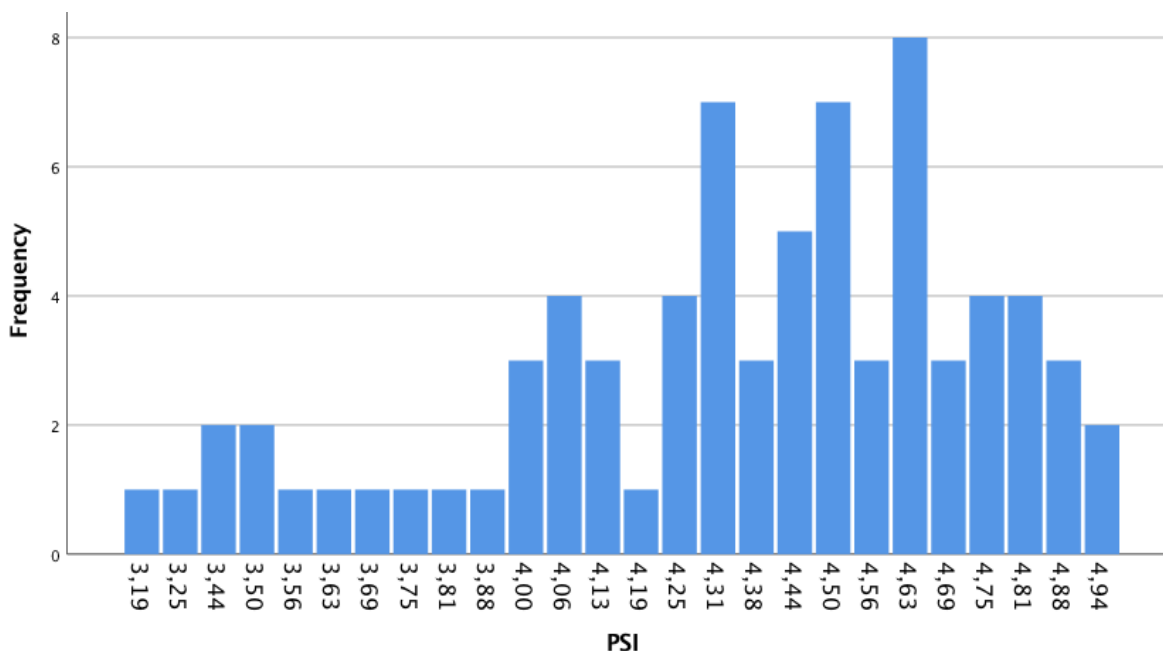
In this section, the research questions will be discussed, in order to create a base for analyzing the main findings of this study in the next section of the paper.

RQ1: What do people think of their favorite creator in terms of credibility?

In general, respondents have deemed their favorite creators relatively credible. The creators are seen as highly trustworthy ( $M=4.4$ ,  $SD=.58$ ). They are also perceived as having a lot of expertise ( $M=4.28$ ,  $SD=.55$ ). Judging from the low standard deviations, even though the creators mentioned by respondents were different, they agree on the trustworthiness and expertise of them. However, homophily ( $M=3.74$ ,  $SD=.75$ ) and engagement ( $M=3.10$ ,  $SD=.97$ ) have sparked different opinions in respondents. This was expected, since for example, all creators do not have the chance to engage with their audience in the same way. Creators with a small following can interact with their audience a lot, while creators with millions of subscribers might not be able to even see all of the comments on their videos.

RQ2: How much PSI do people experience with their favorite creator?

The respondents' level of PSI experienced is generally high ( $M=4.16$ ,  $SD=.55$ ). Respondents agreed or strongly agreed with most of the statements, and the median response was 5, strongly agree, for 9 out of the 16 statements provided. Thus, it could be said that the sample was suitable for this research, at least when considering PSI. The aim was to find people who experience PSI with their favorite YouTube creators, so that its influence together with perceptions of credibility could be assessed.



**Figure 9.** Mean scores of responses to items on the PSI scale.

RQ3: Do certain video categories generate more PSI than others?

To answer this research question, the file was split by the category in which the respondent's favorite YouTuber belongs to. The categories that were selected most by the respondents were chosen, so the file was split three times based on comedy ( $n=45$ ), vlogging ( $n=16$ ) and gaming ( $n=12$ ). It was found that there are differences between the categories, however, they are not very significant with a sample size this small. The category that generated the most PSI was comedy ( $M=4.23$ ,  $SD=.56$ ). The two other categories, vlogging ( $M=4.11$ ,  $SD=.43$ ) and gaming ( $M=4.09$ ,  $SD=.70$ ) generated very similar results.

RQ4: Do viewers spend money only on their favorite YouTubers, or do they buy products recommended by creators that they do not consider to be in their top 3?

More people have bought or considered buying products from their favorite creators than the second and third most favorite ones. Almost a third of respondents ( $n=33$ ) reported that they have bought products from their favorite creator, while over a third ( $n=36$ ) said that they have considered it. The responses considering the second and third YouTuber were very similar among respondents, since 24 people had bought products endorsed by their second favorite creator, while 22 had bought products endorsed by their third favorite creator. Again,

over a third of respondents (n=38) stated that they have not bought products by the second and third favorite creators, but they have thought about it. Thus, it could be concluded that viewers buy products mostly from their favorite creator, compared to their second and third favorites.

However, over half of the respondents (n=57) have bought products endorsed by other YouTubers than the three mentioned. In addition, almost a third of respondents (n=33) have considered buying products from someone. Thus, over 87% of respondents have either spent their money or thought about spending money on products endorsed by people who they do not even consider as their favorites. This could be explained by the fact that some people might have more favorites than 3 that they enjoy watching a lot. In addition, parasocial interaction and credibility were only measured regarding their favorite YouTuber, while in some cases, these two factors can be more relevant when considering people who the respondent does not rate as their favorite.

#### RQ5: Do younger people experience more PSI?

This research question was addressed by conducting a correlation test. It was found that there is a statistically significant negative correlation between age and the amount of PSI experienced ( $r=-.312$ ,  $p=.01$ ), so as age decreases, the amount of PSI experienced increases. This suggests that younger viewers are more prone to PSI than older viewers, and thus maybe more prone to advertising too.

#### 4.5. Main Findings

H1: The more a person watches a certain YouTuber, the stronger they experience PSI with them.

This hypothesis was tested by conducting a correlation test between two variables; hours of the favorite YouTuber watched weekly and the PSI average scale. The test showed that there is a significant correlation between PSI experienced and the hours a respondent watches their favorite creator ( $r=.268$ ,  $p=.01$ ). This is aligned with previous research, which

suggests that there is a connection between exposure and PSI (Ballantine & Martin, 2005; Perse & Rubin, 1989). The hypothesis was supported.

H2: When perceived credibility of a YouTuber increases, the stronger the PSI between the viewer and the creator grows.

It was found that there is a strong correlation between parasocial interaction experienced with a creator and the perceived credibility of them. The strongest relationship was between PSI and engagement ( $r=.503$ ,  $p=.01$ ). All of the correlations were significant on the .01 level, except for the correlation between homophily and expertise. It could be concluded that there is a relatively strong correlation between all of the subscales of credibility and PSI, which proves Hypothesis 2. The full table of correlations between the scales included in the research is presented in Table 2.

Subscale Name	Mean	SD	1	2	3	4	5
1. PSI	4.16	.55	--				
2. Trustworthiness	4.4	.58	.341**	--			
3. Homophily	3.74	.75	.496**	.427**	--		
4. Engagement	3.10	.97	.503**	.343**	.449**	--	
5. Expertise	4.28	.55	.308**	.295**	.211*	.298**	--

\*\* Correlation is significant at the 0.01 level (2-tailed)

\* Correlation is significant at the 0.05 level (2-tailed)

**Table 2.** Correlations between PSI and credibility subscales.

H3: If the perceived credibility and PSI levels are high, the purchase intentions of the viewer strengthen.

This hypothesis was examined by using a multiple regression with purchase intentions as the dependent variable, and PSI and perceptions of credibility as the independent variables. The model with PSI and credibility produced  $R^2=.110$ ,  $F(2, 30) = 1.851$ ,  $p<.175$ . Neither PSI

( $\beta=.116$ ,  $p=.538$ ) or credibility ( $\beta=.269$ ,  $p=.159$ ) have a statistically significant impact on buyer behavior.

When the PSI score increases by one, the money spent increases by 26.08 euros. When perceived credibility increases by one unit, the money spent increases by 50.57 euros. However, these concepts were measured on a 1 to 5 scale, which means that a change of one unit is huge, especially when the mean score of the PSI scale was 4.16, while the mean for perceived credibility was 3.92. The lowest mean scores were neither under 2.5, which means that all of the respondents' level of PSI experienced and perceived credibility of their favorite creator are placed between the scores of 2.5 and 5. Respondents being quite unanimous can explain the changes in buyer behavior.

However, only 11% of changes in buyer behavior can be explained by changes in PSI and credibility. Thus, even though people who perceive a YouTuber as credible and experience more PSI may spend more money on products endorsed, the change is not explained by these two factors.

Variable	Buyer Behavior		
	<i>B</i>	<i>SE B</i>	$\beta$
PSI	26.083	41.825	.116
Credibility	50.567	35.026	.269
$R^2$			.110
$F$			1.851

\*\* $p < .01$

\* $p < .05$

**Table 3.** Summary of linear regression analyses predicting money spent from PSI and credibility.

H4: The more parasocial interaction there is between the viewer and the YouTuber, the more money is spent by the viewer.

H5: The more credible a YouTuber is perceived as, the more money is spent by the viewer.

The variables tested were PSI and money spent on products endorsed by the respondent's favorite YouTuber in the past year. The correlation between the amount of money spent and the amount of PSI experienced with the creator was relatively low ( $r=.219$ ,  $p=.220$ ). Thus, it seems like the level of PSI experienced with the YouTuber does not make the viewer buy more products. Hypothesis 4 did not reach statistical significance, but was in the predicted direction.

In addition, the correlation was also low between money spent on products endorsed by the favorite YouTuber and the perceived credibility of that person ( $r=.314$ ,  $p=.076$ ). Hypothesis 5 did not meet statistical significance either, but was in the predicted direction.

It could be concluded from these two tests that the amount of money spent on products endorsed does not strongly correlate with how much the person feels attached to the creator, and how credible the viewer thinks that the creator is. However, this could be due to the respondents not being a representative sample of the public's buyer behavior, or buyer behavior not being measured sufficiently.

H6: Paths A and B are stronger than paths C and D.

Multiple regression analyses were conducted to explore whether homophily and engagement together have a greater impact on buyer behavior than trustworthiness and expertise. In addition, one regression with all four predictors was conducted. The hypothesis was supported, when examining the R Square in the regression with engagement and homophily as predictors ( $Rsq=13.3\%$ ) and R Square in the regression with expertise and trustworthiness as predictors ( $Rsq=4.3\%$ ). Although the regression was not overall significant, the purpose of the regression was to explore the importance of the predictors to buyer behavior via the standardized beta values.

Homophily and engagement were the most important predictors when looking at the standardized beta. Homophily itself has the strongest effect on money spent on products endorsed by the favorite creator ( $\beta=.314$ ). Trustworthiness has the least influence on buyer behavior, and it seems to decrease the amount of money spent on products endorsed ( $\beta=-.068$ ).

Variable	Buyer Behavior		
	<i>B</i>	<i>SE B</i>	$\beta$
Trustworthiness	-8.979	26.080	-.068
Expertise	26.936	35.361	.145
Homophily	38.763	24.105	.314
Engagement	12.568	19.420	.128
$R^2$			.152
$F$			1.258

\*\*p < .01  
\*p < .05

**Table 4.** Summary of linear regression analyses predicting money spent from all subscales.

## 5. DISCUSSION AND CONCLUSIONS

In general, the respondents think that their favorite YouTubers are credible. They were especially seen as trustworthy and having a lot of expertise, which was interesting, since the category in which most of the favorite creators belong to was comedy. On the other hand, the scores of homophily and engagement were lower. Thus, the viewer does not think that the YouTuber is very much like them, and they value engagement the least out of the four factors of credibility. However, it might be that they would like to interact with their favorite YouTubers more, but it is not always possible. In addition, the reason why engagement was not seen as a significant factor might stem from the subscale, which might not have addressed engagement on YouTube properly. Nevertheless, there was a significant correlation between PSI and credibility. The level of PSI experienced by respondents was high, as well as the perceptions of credibility. There was a significant correlation especially between engagement and PSI. However, there is not as big of a correlation between homophily and expertise. It could be that people who feel connected to a certain YouTuber are biased and think of them more positively in terms of credibility, but perceiving someone as credible could also make it easier to have a connection with them. Thus, it could be concluded that PSI and credibility are connected, but it cannot be determined which of them affects which.

Some may assume that younger people are more naïve, and thus are more prone to being influenced. This assumption was confirmed, since a significant negative correlation was found between age and PSI experienced. Thus, it is even more important to study how PSI affects buyer behavior, so that younger consumers are aware of how they are being influenced. In addition, it was discovered that when the hours that a creator is watched increase, the PSI between them and the viewer increases as well. This could be one of the reasons why respondents do not only buy products from their top three favorite creators, but also from other YouTubers, because sometimes the YouTuber a viewer watches the most is not necessarily their favorite.

It was also revealed that out of the three favorite YouTubers of the respondent, they spend the most money on products endorsed by their favorite YouTuber. This could be due to multiple factors, for example, wanting to support their partnership with the company and wanting to engage with them after buying what they have endorsed. For instance, a



respondent said that some people might want to buy products endorsed by creators to prove their loyalty to them, and to get noticed by the creator. It was also mentioned that buying a product endorsed by a YouTuber can make the viewer feel closer to them. In addition, some people might want to buy a product just because they like it. Most YouTubers want to work with brand that they enjoy, and since the viewers have expressed their perceived similarity with the YouTuber, it is very likely that the viewers enjoy the same things as the creator. A respondent also stated that another reason for buying products endorsed by creators, especially makeup related products, was that the products will be tested by “normal” people instead of models. This is a lot more informative, and there is more likely less bias. In addition, one respondent suggested that wanting to be similar to the YouTuber can make people buy products. For example, people might buy makeup products endorsed by their favorite creator to be able to look like them.

When considering the main question, whether PSI and credibility affect buyer behavior of viewers, the results are quite surprising. PSI and credibility do not influence buyer behavior significantly either together, or separately. Thus, it seems like viewers do not care who has endorsed a product. When looking at the subscales of the credibility scale, none of them have a statistically significant influence on buyer behavior either. Homophily and engagement together are more significant than trustworthiness and expertise together, meaning that viewers are more likely to buy creators’ products when they can engage with the creator, and are also similar to them. However, expertise affects buyer behavior more than engagement or trustworthiness. Thus, it could be concluded that respondents also want the YouTuber to really know what they are talking about. In addition, it was found that trustworthiness has a negative effect on buyer behavior. This suggests that the more trustworthy someone is, the less people spend money on products endorsed by them. However, if this is true, it means that it does not matter if a YouTuber is not trustworthy, the products endorsed by them will still be bought.

It was pointed out by respondents that there are various other elements that affect whether they buy products from YouTubers or not. For example, the availability of products was mentioned by a respondent from Finland, who pointed out that they had not bought any products endorsed by YouTubers in the past, but they would have if the products endorsed were easily available. In addition, another respondent said that they have not purchased endorsed products, but they have signed up for free trials on websites that have been

advertised. It was also mentioned that other characteristics of the YouTuber than credibility affect the viewers' buyer behavior. For example, it was brought up by a respondent that creators who interact with their viewers, stay down-to-earth and try to be understanding have more fans "wholeheartedly" purchase the products. In addition, the product itself needs to be interesting enough, and should match the creator. Product congruence was also mentioned by Marcus Butler as an important factor for the creator. For example, he stated that YouTubers often "get called out" for doing "brand deals with a brand that would be like why is that person doing that." It could be concluded that there are a lot of factors contributing to the influence of product endorsements by YouTube creators, other than the two concepts that have been focused on.

An ethical issue has also emerged from the responses. It was often stated by the respondents that YouTube creators might be biased, and might take advantage of their audiences. Especially younger consumers can be relatively easy to influence. Thus, YouTubers have the responsibility to choose the right brands to work with. Looking at this from a creators' perspective, when Marcus Butler was asked about the amount of brand deals a YouTuber should take, he stated: "Of course you can do too much of anything, imagine, like where is the authenticity if just every single day there is an advert." In addition, he thinks that some creators might "associate themselves with the wrong types of brands" for revenue that they will make from those partnerships. He explains that this could be due to the fact that "creators treat their audience like they're thick, or not very smart." However, viewers are smarter than many YouTubers might think. For example, a respondent stated that they always watch multiple reviews, so that they do not trust only one person's opinion. Even though viewers are intelligent, the ethical side of product endorsements on YouTube could definitely be studied more.

### 5.1. Limitations

There are several limitations to this study that emerge mostly from the sample and the ways in which items were measured.

Buyer behavior might not have been measured effectively enough, or in a way that gives enough freedom to the respondent. For example, purchase intentions and buyer behavior

could have been measured in other ways than money spent, which could have possibly made the results more reliable. For example, some respondents were as young as 12 years old, and people that age most likely do not spend their own money on products endorsed by YouTubers. In addition, those people might not even know what part of a creator's video is an advert, and when they have been influenced.

Another problem emerged while analyzing data from the open-ended question, which was the last question of the survey. The responses showed that some people did not know the difference between products endorsed by YouTubers and the creators' own merchandise. This might have led to some people considering merchandise, while some considered products that were not the creator's own products when answering the survey.

A bigger sample would have also been needed to describe the level of PSI experienced by viewers, their perceptions of the creator's credibility and their buyer behavior accurately. It seemed like there were a few outliers in the group that had a considerable effect on the data, which could have been avoided by having a bigger sample. In addition, the sample of this study might not have represented the YouTube community, or it could have represented only a small part of it, because there were only around 100 responses.

In addition, a bigger sample consisting of respondents from all around the world would have made it possible to look into differences between different regions, for example Europe and outside of Europe. For this research, there were only 6 respondents outside of Europe, which is most likely due to the conference happening in Europe. The United States and Australia have their own VidCon conferences, which might be the reason why viewers from those countries do not want to travel to London for VidCon. Other countries outside of Europe also host YouTube related events, which might lead to people not wanting to go through the trouble of traveling to London. In addition, 54.3% of respondents were from the United Kingdom, which means that the whole of Europe would not have been represented equally. Thus, having a bigger sample could help compare results not only between Europe and outside of Europe, but also between countries in Europe.

## 5.2. Practical Implications for Companies

This research helps companies to identify the right influencers they should choose in order to advertise their products successfully. The influencer should be relatable to the viewers, and have expertise on the product they are supposed to advertise. This expertise could be established by, for example, partnering with influencers who are already somehow linked to the company's products. YouTubers who upload makeup videos should be advertising makeup, while gamers should advertise something related to gaming. This product congruence and homophily are more important than trustworthiness. In addition, it does not really matter if there is PSI between the creator and the viewer, since that does not seem to affect buyer behavior significantly. However, it is good to choose influencers who have a loyal audience, so that people will buy the products endorsed in order to support their favorite creator, or to have a better chance of interacting with them.

One of the most important factors that allows viewers to be influenced by these YouTubers is that they are like normal people who just decide to film their life in some form. The authenticity is important for both the viewer and the creator, so the creators should be allowed to have freedom in the way they endorse products. In addition, viewers might watch various videos made by different creators, which is why companies should cooperate with more than just one creator to make influencer marketing on YouTube as effective as possible. It is also important to make sure that the products are available to the people the company is advertising to. For example, a Finnish company that is not delivering products to other countries, should not contact American creators to endorse their products. This will save time and resources from both the creator, and the company.

## 5.3. Suggestions for Further Research

Further research could be conducted on the effect that PSI and credibility may separately have on purchase intentions. This study only explored their effect together, but it would be interesting to see whether one of these factors influences buyer behavior more significantly than the other. In addition, a similar study could be conducted in the future to find out if a bigger sample size would change the results of the survey. The sample could also consist

of people from different countries or areas, to see if there are major differences in PSI experienced or perceptions of credibility between the respondents.

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## APPENDICES

Appendix 1. Full survey. Some options have been clicked to reveal hidden questions.

### YouTube Behavior Survey

1. This is a survey about people's behavior on YouTube.

I am student of Aalto University, and the results of this survey will be a part of my Bachelor's thesis.

This survey will take you around 5 minutes to complete. The responses are anonymous, and will only be used for my thesis. If you have any questions about this survey, please send me an email (thesis2019survey@gmail.com). \*

2. Do you watch YouTube? \*

☐ Yes

☐ No

3. What types of videos do you watch? Check all that apply. \*

☐ Lifestyle

☐ Beauty

☐ Fashion

☐ Vlogging

☐ Gaming

☐ Comedy

☐ Food

☐ Music

☐ News

☐ Nonprofits and Activism

☐ Pets

☐ Science and Technology

☐ Sports

☐ Travel and Events

☐ Other (please specify)

4. Please estimate the number of YouTube channels you are subscribed to. \*

	<input type="text"/>
--	----------------------

5. How many of them do you watch weekly? \*

	<input type="text"/>
--	----------------------

6. How many of them do you watch daily? \*

	<input type="text"/>
--	----------------------

7. Please name the 3 YouTubers you watch the most (1. being the one you watch the most). Write the name of the person (first and last) or the name of the channel. \*

1.	<input type="text"/>
2.	<input type="text"/>
3.	<input type="text"/>

8. What MAIN category would you consider X to be in? (select only one). \*

- ☐ Lifestyle
- ☐ Beauty
- ☐ Fashion
- ☐ Vlogging
- ☐ Gaming
- ☐ Comedy
- ☐ Food
- ☐ Music
- ☐ News
- ☐ Nonprofits and Activism
- ☐ Pets
- ☐ Science and Technology
- ☐ Sports
- ☐ Travel and Events
- ☐ Other (please specify)

9. How many hours on average do you watch X per week? \*

10. Think about your favorite YouTuber (X) and then answer the following questions using a 5 point scale.

11. I feel like X is... \*

	1 - Strongly Disagree	2 - Disagree	3 - Neither disagree nor agree	4 - Agree	5 - Strongly Agree
Dependable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Honest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Not reliable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sincere	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Trustworthy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

12. X... \*

	1 - Strongly Disagree	2 - Disagree	3 - Neither disagree nor agree	4 - Agree	5 - Strongly Agree
Thinks like me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Behaves like me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Is similar to me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

13. X is... \*

	1 - Strongly Disagree	2 - Disagree	3 - Neither disagree nor agree	4 - Agree	5 - Strongly Agree
Easy to contact	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Willing to interact like me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Influenced by me	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Interacting with me frequently	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

14. X is... \*

	1 - Strongly Disagree	2 - Disagree	3 - Neither disagree nor agree	4 - Agree	5 - Strongly Agree
Experienced	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Knowledgeable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Skilled	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Qualified	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

15. Please answer these questions about X honestly and carefully.

1) Strongly disagree 2) Disagree 3) Neither disagree nor agree 4) Agree 5) Strongly agree

	1 - Strongly Disagree	2 - Disagree	3 - Neither disagree nor agree	4 - Agree	5 - Strongly Agree
They make me feel as if I am with someone I know well.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If they appeared on a TV program, I would watch it.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I see them as a natural down-to-earth person.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
If I saw a magazine story about them, I would read it.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I would like to meet them.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like I understand the emotions they experience.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I find myself thinking about them on a regular basis.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I follow them on different social media sites.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I like to watch their videos.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Whenever I do not get news about them, I miss it.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Learning about them is important to me.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I have tried to find more information about them online.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am very aware of the details of their life.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel like I have little understanding of them as a person.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I look forward to watching their new videos.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am not really interested in them.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>



**17. Consider the YouTubers you named previously.**

**Have you ever purchased a product that you saw endorsed by X in a YouTube video? \***

- ☒ Yes
- ☐ No, but I have considered it
- ☐ No
- ☐ They do not talk about any products in their videos

**18. Approximately how much money in euros have you spent on products endorsed by X in the past year? \***

**19. Consider the YouTubers you named previously.**

**Have you ever purchased a product that you saw endorsed by Y in a YouTube video? \***

- ☒ Yes
- ☐ No, but I have considered it
- ☐ No
- ☐ They do not talk about any products in their videos

**20. Approximately how much money in euros have you spent on products endorsed by Y in the past year? \***

**21. Consider the YouTubers you named previously.**

**Have you ever purchased a product that you saw endorsed by Z in a YouTube video? \***

- ☒ Yes
- ☐ No, but I have considered it
- ☐ No
- ☐ They do not talk about any products in their videos

**22. Approximately how much money in euros have you spent on products endorsed by Z in the past year? \***

**23. Beyond the YouTubers you mentioned previously, have you ever purchased a product that you saw endorsed by someone else in a YouTube video? \***

- ☒ Yes
- ☐ No, but I have considered it
- ☐ No

**Thank you for your attention. These are the last questions in the survey.**

**24. Gender \***

- ☐ Male
- ☐ Female
- ☐ Other
- ☐ Prefer not to say

**25. Age \***

**26. Where are you from? \***

**27. This survey aims to discover how perceptions of a YouTuber can affect purchasing behavior of viewers. If you have any general comments about buying products that have been endorsed by YouTubers, feel free to write them in the box below.**

## Appendix 2. Transcription of Interview with Marcus Butler.

Kiira Kiesilä: My question for you is more about the business side of YouTube. I am currently working on my thesis that is about influencer marketing on YouTube, so I would like to know if you have any opinions on advertising on YouTube or collaborating with brands? How do you manage that stuff? Or do you have any other general opinions on this topic?

Marcus Butler: I mean it is a massive topic. Opinions on it in terms of what? Is there any more direction with that or just generally influencers working with brands?

KK: Yeah. That's it.

MB: Well okay. Well I think... I did a panel earlier actually all about building a management team and how working with managers can benefit you etc. But brand deals become a thing for YouTubers where a lot of people can't rely on ad revenue. So there is a lot of creators out there who create and make amazing content but they don't receive enough ad revenue for it to become like a full time job. So brand deals help people make it a job or bringing that more reliable source of income. In terms of running a business, but of course there is boundaries with that. If you do too many brand deals or if you associate yourself with the wrong types of brands, I mean, if we are going to talk about that we can think about what has happened in the YouTube space to Jake Paul and Ricegum and the whole like gambling mystery box scandal. It's that money on the table and they're just .. Just take that money and not really think about the consequences of what they are doing with that.

Matt Bentley-Viney: I find it interesting what you said about doing too many brand deals. Why do you think that is like could be a negative thing?

MB: Of course you can do too much of anything, imagine, like where is the authenticity if just every single day there's an advert. You can still be authentic with your brand deals but... I said earlier in the panel like I think a lot of creators treat their audience like they're thick. Or not very smart. They often get called out on these things, when you do a brand deal with a brand that would be like.. Why is that person doing that. Your audience would call you out on it. I think a lot of people don't realize that their audience are self-aware or aware of those.. Of what they are doing. Wow. This got really serious.

Appendix 3. All of the YouTubers mentioned by respondents in alphabetical order.

YouTuber Name	Number of 1st choices	Number of 2nd choices	Number of 3rd choices
Abroad in Japan	0	0	1
Alfie Deyes	0	0	2
Alonzo Lerone	0	1	0
Amy Ordman	0	0	1
Anastasia Kingsnorth	1	1	3
Andrea Russett	1	0	0
Anna Akana	0	0	1
Antonio Garza	0	0	1
AuronPlay	0	0	1
Bambinobecky	2	1	1
Beauty Spectrum	0	1	0
Bestdressed	1	0	0
Bobby Mares	0	0	1
Brennan Taylor	0	1	0
BuzzfeedUnsolved	0	1	0
Callum Markle	0	1	0
Calum McSwiggan	0	0	1
Casey Neistat	0	1	0
Cavetown	0	1	0
Chi with A C	0	0	1
Cimorelli	1	0	0
Click For Taz	0	0	1
Cody Ko	1	1	0
Colleen Ballinger	1	1	0
Cut	0	1	0
Crankgameplays	1	0	0
Dan and Phil	4	1	0
Dan Howell	1	0	2
Daniel Preda	0	2	1
Daniel J Layton	0	0	1
Danny Gonzales	0	1	0
David Dobrik	3	3	2
Daz Black	0	2	1
Dodie Clark	4	1	1
Dolan Twins	2	0	1
Drew Gooden	1	0	0
Dr. Hope's Sick Notes	0	0	1
Dylan Is in Trouble	0	1	0
Eleanor Neale	0	0	1
Elle Mills	0	0	3
Elmo Films	2	0	0
Emily Canham	0	0	1
Eric Beckerman	1	0	0

Evan Braddock	1	0	0
Eve Bennett	0	0	1
FineBros Entertainment	1	0	0
Gabbie Hanna	4	2	0
Gabe Helmy	0	1	0
Gabriella Lindley	1	0	0
GalM	1	0	0
Geoff Marshall	0	0	1
GibiASMR	0	0	1
GlamandGore	0	1	0
Good Mythical Morning	1	0	0
GraceFitUK	0	1	0
Grace Helbig	0	0	1
Haley Pham	0	0	1
Hanna Öberg	0	0	1
Henry Harjusola	1	0	0
HONESTGUIDE	0	0	1
How Ridiculous	0	0	1
IISUPERWOMANII	1	0	1
ImAllexx	5	3	0
ISorrowProductions	1	0	0
JaackMaate	0	0	1
Jack and Dean	0	1	1
Jack Maynard	1	1	0
Jacksepticeye	0	0	1
JackSucksAtLife	0	1	0
Jacob White	1	0	0
JaidenAnimations	0	1	0
Jakeyonce	1	0	0
James Charles	0	4	1
James Marriott	0	1	1
Jeffree Star	0	1	1
Jenna Marbles	2	1	2
Jerm Bot	1	0	0
Jess & Gabriel Conte	0	0	1
Jhouse Vlogs	0	0	1
Joe Rogan	0	1	0
Joe Sugg	4	3	2
Joe Tasker	0	1	1
Joey Graceffa	3	1	1
Josh Pieters	1	0	0
Kalenterikarju	0	0	1
KathleenLights	0	1	0
Kian and Jc	5	1	3
KickthePJ	0	1	0

Krissy Cela	1	0	0
KSI	1	1	1
Lachlan	1	0	0
LDShadowlady	0	0	1
Lee Hinchcliffe	0	1	0
Liza Koshy	0	1	0
LoeyLane	0	0	1
Logan Paul	0	0	1
Louise Pentland	0	2	0
Lucy Moon	0	1	0
Lydia Elise Millen	0	1	0
Markiplier	0	0	1
Matrins Licis	1	0	0
Memeulous	1	2	1
Merrell Twins	2	1	0
Millie T	0	0	2
MKBHD	0	0	1
Nasey Family	1	0	0
New Hope Club	1	1	0
Nigahiga	0	1	0
Niki and Gabi	0	0	1
NikkieTutorials	0	1	1
OKbaby	0	1	0
Our Tiny Tribe	0	1	0
Papananaama	1	0	0
Patricia Bright	1	0	0
Pernilla Bäckerman	0	1	0
PewDiePie	3	5	2
Philip DeFranco	1	0	0
Phil Lester	0	3	0
PiinkSparkles	0	0	1
PS Olen Vegaani	0	1	0
Pyrocynical	0	1	0
RaccoonEggs	1	0	0
Rachel Ballinger	0	0	2
RachhLoves	0	0	1
REACT	0	1	0
Ricky Dillon	0	0	1
RoadTripTV	1	0	0
Rose and Rosie	0	0	2
SamCarr	0	0	1
SACCONEJOLYs	0	1	1
Saffron Barker	0	1	0
Safiya Nygaard	0	1	0
Samantha Ravanhdal	1	0	0

Sarah Baska	0	0	1
Shaaanxo	0	1	0
Shane Dawson	0	2	4
Shibainu Shiro Suki	0	1	0
Sidemen	2	0	3
Simone Giertz	0	1	0
Simply Nailogical	1	0	0
Smosh Games	1	0	0
SophDoesNails	1	1	0
Sophia & Cinzia	1	0	0
Stephanie Toms	0	0	1
Syd & Ell	1	0	0
Talia Mar	0	1	1
Tati Westbrook	3	0	1
The Ace Family	1	0	0
The Drawfee Channel	1	0	0
The Infographics Show	0	1	0
TheOdd1sOut	0	0	1
Therese Lindgren	0	0	1
TheSorryGirls	0	1	0
The Valleyfolk	0	0	1
Tori Vasquez	0	1	0
Touchdalight	0	3	0
Tuure Boelius	0	0	1
Tyler Oakley	2	2	1
UFC	0	0	1
Unjaded Jade	1	0	0
Veronica Verho	0	0	1
Violette_fr	0	1	0
Webb Brothers	2	1	0
Whitney Simmons	0	1	1
WillNE	3	2	2
XO	0	0	1
Yes Theory	0	0	1
Ylex	1	0	0
YouTube Music	0	0	1
Zach Clayton	0	1	0
Zoe Sugg	1	1	0